

SERFF Tracking Number:	CRDT-125890645	State:	Arkansas
Filing Company:	Virginia Surety Company, Inc.	State Tracking Number:	EFT \$50
Company Tracking Number:	VSCI-CLIP-1008-AR FORM		
TOI:	17.0 Other Liability-Occ/Claims Made	Sub-TOI:	17.0004 Contractual Liability
Product Name:	Debt Protection Contractual Liability Insurance		
Project Name/Number:	DPP CLIP Rate & Form Filing/1008-VSCI-DPP-CLIP		

## Filing at a Glance

Company: Virginia Surety Company, Inc.

Product Name: Debt Protection Contractual Liability Insurance

TOI: 17.0 Other Liability-Occ/Claims Made

Sub-TOI: 17.0004 Contractual Liability

Filing Type: Form

SERFF Tr Num: CRDT-125890645 State: Arkansas

SERFF Status: Closed

Co Tr Num: VSCI-CLIP-1008-AR FORM

Co Status: New to State

Authors: Deborah Wilson, Rhonda Pinkerton

Date Submitted: 11/20/2008

State Tr Num: EFT \$50

State Status: Fees verified and received

Reviewer(s): Betty Montesi, Edith Roberts

Disposition Date: 01/07/2009

Disposition Status: Approved

Effective Date Requested (New): 01/01/2009

Effective Date Requested (Renewal):

Effective Date (New):

Effective Date (Renewal):

State Filing Description:

## General Information

Project Name: DPP CLIP Rate & Form Filing

Project Number: 1008-VSCI-DPP-CLIP

Reference Organization:

Reference Title:

Filing Status Changed: 01/07/2009

State Status Changed: 01/07/2009

Corresponding Filing Tracking Number:

Filing Description:

This filing is for a commercial contractual liability policy and/or rates (see appropriate tabs) between a lending institution and the insurance company. This filing is new and is an independent filing. Virginia Surety seeks your approval or acknowledgement.

This filing is similar to a filing made by Heritage Casualty Insurance Company in 2006. The previous company filing

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

<i>SERFF Tracking Number:</i>	<i>CRDT-125890645</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Virginia Surety Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>VSCI-CLIP-1008-AR FORM</i>		
<i>TOI:</i>	<i>17.0 Other Liability-Occ/Claims Made</i>	<i>Sub-TOI:</i>	<i>17.0004 Contractual Liability</i>
<i>Product Name:</i>	<i>Debt Protection Contractual Liability Insurance</i>		
<i>Project Name/Number:</i>	<i>DPP CLIP Rate &amp; Form Filing/1008-VSCI-DPP-CLIP</i>		

number is 225-056 AR; effective 4/19/2006. These forms will be used to continue a program that Heritage Casualty Insurance Company will no longer offer, effective January 1, 2009. It is imperative that this filing be ready to use on January 1; therefore, your expeditious review is greatly appreciated.

Rates and forms are to be issued in conjunction with open-end loans that include debt cancellation contracts and debt suspension agreements between the lending institution and the lender's borrowers. The contracts and agreements are in the form of addenda to the lending agreements. By issuing an addendum, the lender assumes the liability to cancel or suspend debt if the protected event happens to the borrower. The product purchased by the borrower is a lending product, with the lender as the initial risk taker. Some lenders may wish to retain all, or a portion, of the risk, but most lenders will choose to insure this liability by transferring it to an insurance company. This transfer of risk occurs when the insurer issues a contractual liability insurance policy to the lender.

Under this contractual liability insurance policy, the insurer obligates itself to reimburse the lender for all, or a portion, of each cancellation or suspension that the lender makes pursuant to an addendum. This policy is a contract solely between the insurer and the lender; the insurer does not have any obligation to the borrower under this policy. In a sense, the policy is similar to reinsurance, but since the addendum is not insurance, the insurer is a direct writer. The insured risk is that the lender cancels or suspends a debt, not the underlying protected event of death, disability, involuntary unemployment, etc.

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - CREDITRE01)

Deborah Wilson, Policy Compliance Analyst	deborah.wilson@creditre.net
330 Grapevine Hwy.	(800) 220-0359 [Phone]
Hurst, TX 76054-2429	(800) 959-9144[FAX]

### Filing Company Information

Virginia Surety Company, Inc.	CoCode: 40827	State of Domicile: Illinois
175 W. Jackson Blvd.	Group Code: 4254	Company Type: Property and Casualty Insurance
Chicago, IL 60604	Group Name: The Warranty Group	State ID Number:
(800) 209-6206 ext. [Phone]	FEIN Number: 36-3186541	

-----

*SERFF Tracking Number:* CRDT-125890645 *State:* Arkansas  
*Filing Company:* Virginia Surety Company, Inc. *State Tracking Number:* EFT \$50  
*Company Tracking Number:* VSCI-CLIP-1008-AR FORM  
*TOI:* 17.0 Other Liability-Occ/Claims Made *Sub-TOI:* 17.0004 Contractual Liability  
*Product Name:* Debt Protection Contractual Liability Insurance  
*Project Name/Number:* DPP CLIP Rate & Form Filing/1008-VSCI-DPP-CLIP

## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50 per submission of forms  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Virginia Surety Company, Inc.	\$50.00	11/20/2008	24072011

SERFF Tracking Number:	CRDT-125890645	State:	Arkansas
Filing Company:	Virginia Surety Company, Inc.	State Tracking Number:	EFT \$50
Company Tracking Number:	VSCI-CLIP-1008-AR FORM		
TOI:	17.0 Other Liability-Occ/Claims Made	Sub-TOI:	17.0004 Contractual Liability
Product Name:	Debt Protection Contractual Liability Insurance		
Project Name/Number:	DPP CLIP Rate & Form Filing/1008-VSCI-DPP-CLIP		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	01/07/2009	01/07/2009

<i>SERFF Tracking Number:</i>	<i>CRDT-125890645</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Virginia Surety Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>VSCI-CLIP-1008-AR FORM</i>		
<i>TOI:</i>	<i>17.0 Other Liability-Occ/Claims Made</i>	<i>Sub-TOI:</i>	<i>17.0004 Contractual Liability</i>
<i>Product Name:</i>	<i>Debt Protection Contractual Liability Insurance</i>		
<i>Project Name/Number:</i>	<i>DPP CLIP Rate &amp; Form Filing/1008-VSCI-DPP-CLIP</i>		

## **Disposition**

Disposition Date: 01/07/2009

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	CRDT-125890645	State:	Arkansas
Filing Company:	Virginia Surety Company, Inc.	State Tracking Number:	EFT \$50
Company Tracking Number:	VSCI-CLIP-1008-AR FORM		
TOI:	17.0 Other Liability-Occ/Claims Made	Sub-TOI:	17.0004 Contractual Liability
Product Name:	Debt Protection Contractual Liability Insurance		
Project Name/Number:	DPP CLIP Rate & Form Filing/1008-VSCI-DPP-CLIP		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Third-party Authorization	Approved	Yes
Form	Debt Protection Contractual Liability Policy	Approved	Yes
Form	Application for Debt Protection Contractual Liability Policy	Approved	Yes
Form	Declarations Page	Approved	Yes
Form	Approved Agreement Schedule	Approved	Yes
Form	Amendatory Endorsement to Debt Protection Contractual Liability Policy	Approved	Yes
Form	Policyholder Disclosure	Approved	Yes

SERFF Tracking Number: CRDT-125890645 State: Arkansas

Filing Company: Virginia Surety Company, Inc. State Tracking Number: EFT \$50

Company Tracking Number: VSCI-CLIP-1008-AR FORM

TOI: 17.0 Other Liability-Occ/Claims Made Sub-TOI: 17.0004 Contractual Liability

Product Name: Debt Protection Contractual Liability Insurance

Project Name/Number: DPP CLIP Rate & Form Filing/1008-VSCI-DPP-CLIP

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Debt Protection Contractual Liability Policy	CLP-AA (10.08)	10/2008	Policy/CoveNew rage Form		0.00	VSCI CLP-AA (10.08) Policy.pdf
Approved	Application for Debt Protection Contractual Liability Policy	CLP-APP (10.08)	10/2008	Application/ New Binder/Enro llment		0.00	VSCI CLP-APP (10.08) Application.pdf
Approved	Declarations Page	CLP-DEC (10.08)	10/2008	Declaration New s/Schedule		0.00	VSCI CLP-DEC (10.08) Declarations.pdf
Approved	Approved Agreement Schedule	CLP-SOC (10.08)	10/2008	Declaration New s/Schedule		0.00	VSCI CLP-SOC (10.08) Approved Agrmt Schedule.pdf
Approved	Amendatory Endorsement to Debt Protection Contractual Liability Policy	CLP-AE-AR (10.08)	10/2008	Endorseme New nt/Amendm ent/Condi tions		0.00	VSIC AR Amendatory.pdf
Approved	Policyholder Disclosure	CLP-TRIA (10.08)	10/2008	Disclosure/ New Notice		0.00	VSCI CLP-TRIA (10.08) TRIA Notice.pdf

Virginia Surety Company, Inc.  
175 W. Jackson Blvd.  
Chicago, Illinois 60604

**DEBT PROTECTION  
CONTRACTUAL LIABILITY POLICY**

**TABLE OF CONTENTS**

<b>Definitions</b>	<b>1</b>
<b>Insuring Provisions</b>	<b>2</b>
<b>Premium Provisions</b>	<b>2</b>
<b>Claim Provisions</b>	<b>3</b>
<b>General Provisions</b>	<b>4</b>

**Definitions**

**Approved Agreement** means an agreement between You and a debtor that obligates You to cancel or defer amounts due or owed under a loan or loan account in the event of certain occurrences or conditions as specified in the Approved Agreement.

In order for an agreement to be an Approved Agreement and then covered by this policy, it must:

1. Be submitted to Us and approved by Us in writing;
2. Be issued and administered in accordance with Our or Our authorized agent's guidelines, policies, procedures, and/or instructions;
3. Have an Effective Date of Protection or issuance date during the period this policy is in force;
4. Have had the proper premium fully paid by You to Us on a timely basis;
5. Have been attached to and made a part of the Approved Agreement schedule which schedule is part of this policy. Further, this schedule will be updated periodically by Us to reflect any additions to or deletions from this schedule.

**[Co-Insurance Rate** means the percentage that will be applied to the amount of the loss(es) that is in excess of the Deductible to determine the amount We will reimburse You. The Co-Insurance Rate is shown on the Declarations Page.]

**[Deductible** means the amount of the loss(es), beginning with the first dollar amount, that is not eligible for reimbursement by Us under this policy. The Deductible is shown on the Declarations Page.]

**[Maximum** means the Maximum amount of the loss(es) that We will reimburse You. The Maximum is shown on the declarations page.]

**Monthly Premium Due Date** means the day of the month indicated on the Declarations Page.

**Policy Effective Date** means the date indicated on the Declarations Page.

**We, Our, and Us mean** Virginia Surety Company, Inc.

**You and Your** mean the policyholder, its subsidiaries, affiliates or assigns.



## **Insuring Provisions**

### **Benefits**

Upon receipt of Notice of Loss, We will reimburse You for all amounts for which You become legally obligated to cancel or waive under the terms and conditions of an Approved Agreement, as a result of events covered under an Approved Agreement that occur while this policy is in force, provided the applicable premium due Us for the Approved Agreement is not overdue. Reimbursement shall be subject to the terms and provisions of this policy.

### **Coverage to Benefit You Only**

This insurance shall inure solely to Your benefit and shall not benefit any holder of an Approved Agreement, any debtor, or any other party as a loss payee or third party beneficiary. The policy benefits hereof are payable only to You. In the event of Your insolvency, benefits will be paid to Your statutory representative.

You may not advise any holder of an Approved Agreement or other person that they or any person or entity other than Yourself has or may have any interest under this insurance. No person or organization shall have any right under this policy to join Us as a party in any action against You or to determine Your obligations under any Approved Agreement.

### **Limitations and Exclusions**

We have no obligation to reimburse You for any sums cancelled, or costs incurred if such cancellation was undertaken by You or costs incurred for reasons other than as specified under this policy and the Approved Agreements.

We have no duty to defend You in any legal action taken against You with respect to Your actions under an Approved Agreement or this policy. We are not obligated to indemnify You for any attorney fees, court costs or compensatory, consequential, punitive or exemplary damages arising from any suit, administrative proceeding or other claim relating in any way to an Approved Agreement or this policy.

[Our liability for all losses arising from any single occurrence under any single Approved Agreement shall not exceed the Maximum stated in said Approved Agreement.]

## **Premium Provisions**

### **Premium Amount**

Subject to the Premium Changes Provision, the premium for insurance provided under this policy shall be calculated and paid by You to Us on a monthly basis in accordance with the applicable rates and rules in effect at the time each Approved Agreement is issued.

### **Premium Changes**

The premium rates for coverage under this policy may be changed from time to time. In the event of a premium rate change, We will provide You with at least [30 days] advance notice.

## **Premium Payment**

Premiums are due and payable on the Monthly Premium Due Date of the month following the month in which the Approved Agreement is issued and on the Monthly Premium Due Date of each succeeding month thereafter, if applicable. All premiums are to be paid to Us or Our authorized agent. Each premium shall be accompanied by documentation satisfactory to Us showing to which Approved Agreements the premium relates.

## **Claim Provisions**

### **Notice of Loss**

Notice of loss must be given to Us or Our authorized agent within [thirty (30) days] after the occurrence or commencement of an event causing a loss under this policy. Your failure to report the loss within this time period will not act to void or reduce any claim if:

- A. It was not reasonably possible to give Us notice within the [thirty (30) day] period; and
- B. Notice was given to Us as soon as reasonably possible thereafter.

Notice given by You or on Your behalf with sufficient information to identify You and the policyholder of the Approved Agreement, the total debt obligation amount cancelled or waived, and other particulars with respect to the claim will be deemed adequate notice of loss.

### **Legal Actions**

No actions against Us arising from a claim under this policy may be started until [thirty (30) days] after You have fully complied with all the terms and conditions stated herein. No such action may be started after a period of [twenty-four (24) months] from the date You provide Us with notice of the loss.

In the event that We are brought into an action by a third-party relating to an Approved Agreement, You agree to enter into appropriate stipulations to permit Us to file a cross-complaint against You without the necessity of a formal motion before the court, and You agree further to waive the defense of the statute of limitations that may be applicable under the circumstances to any cross-complaint or separate lawsuit that We may elect to bring against You.

### **Arbitration**

All disputes and controversies of every kind and nature between the parties hereto arising out of or in connection with this policy and the policy application, the subject matter thereof, the negotiation thereof, the existence, construction, validity, interpretation, or meaning, performance, non-performance, enforcement, operation, breach of contract, continuation or termination thereof or any claim alleging fraud in fact, fraud in the inducement, deceit, suppression of any material fact, or bad faith shall be submitted to binding arbitration pursuant to the provisions of the Federal Arbitration Act and according to the Commercial Rules of the American Arbitration Association. Each party shall bear its own arbitration costs and expenses. The parties stipulate that the provisions hereof shall be a complete defense to any suit, action, or proceeding instituted in any federal, state, or local court or before any administrative tribunal with respect to any controversy or dispute arising hereunder.

## **General Provisions**

### **Entire Contract and Changes**

This policy, the attached application, the Approved Agreement Schedule and the Declarations Page, and any amendments hereto constitute the entire contract of insurance. Subject to agreement by You and Us, We may amend the terms and conditions of the policy.

Any amendment to the policy will be made in writing and signed by one of Our officers. No agent may waive, alter or change any of the terms and conditions of the policy.

### **Fraud and Misrepresentation**

This insurance shall provide no indemnity if You conceal or misrepresent any material fact regarding this coverage or commit fraud, whether before or after a loss. We may pursue all legal recourse allowed to recover any amounts paid as a result of fraud or misrepresentation.

### **Necessary Information**

You must provide Us with sufficient information to administer this policy and to complete any reports requested by insurance regulatory authorities. This includes, by the [fifteenth (15<sup>th</sup>)] day of each month, a report listing the total number of Approved Agreements issued, the total number of Approved Agreements for which premium was paid, and the data We need to determine Our liability. Such information must be in a form acceptable to Us.

In addition, We have the right to inspect or examine on Your premises, books and other records as they relate to this insurance. Such right shall exist during the period this policy is in force and until the expiration of Our liability hereunder.

### **Policy Renewal/Termination**

Subject to the other terms of the policy, coverage will be effective for an Approved Agreement as of the Effective Date of Protection of the Approved Agreement, so long as the first premium is paid when due. Coverage effectuated for an Approved Agreement will terminate [ten (10) days] after any premium due therefore is past due.

You may terminate this policy at any time by notifying Us in writing at least [ninety (90)] days prior to the termination date. Coverage will continue until the date and hour specified in the notice, provided all premium due is paid.

We may cease to provide coverage for any Approved Agreements issued by You on or after any premium due date by providing You at least [forty-five (45) days] advance written notice by certified or registered mail to Your last known address of record. In such case, coverage will continue for Approved Agreements issued and in force prior to the termination date for the period for which premium has been paid for that Approved Agreement.

We may terminate this policy at any time for non-payment of premium if We provide [ten (10) days] written notice. In this case, all coverage will end if all premiums due are not received prior to the scheduled date and time of termination.

We may nonrenew this policy for any reason as of any anniversary of the First Renewal Date by providing You with at least [ninety (90) days] advance written notice by certified or registered mail to Your last known address of record.

**Subrogation**

You agree that in the event of any payment by Us under this policy, We shall be subrogated to all of the rights of recovery therefore against any person, including a debtor or a debtor's estate, and You shall execute and deliver to Us such instruments, assignments, and papers as requested by Us and do whatever is necessary to secure such rights and effectuate Our exercise of such rights. You shall do nothing to prejudice or waive such rights. The right of subrogation set forth in this paragraph is in addition to other rights We may have under this policy and in no way limits Our right to investigate a claim prior to making a determination, nor does it prevent Us from seeking reimbursement directly from You in circumstances where We have paid benefits in error.

**Assignment**

Your rights under this policy may not be assigned without Our prior consent. Any assignment in violation of this provision shall not bind Us in any way.

**Conformity with State Statutes**

If any of the provisions of this policy do not conform to the statutes of the state of issue on the Policy Effective Date, such provisions are amended to meet the minimum requirements of that state.

**Change in Administration**

You must notify Us immediately if You undergo a change in ownership or other event that might affect Your ability to perform Your obligations under the Approved Agreements and this policy, including Your obligation to collect premiums and provide Us with sufficient information to administer this policy and to complete any reports requested by insurance regulatory authorities.

President

Secretary

Virginia Surety Company, Inc.  
175 W. Jackson Blvd.  
Chicago, IL 60604

**APPLICATION FOR DEBT PROTECTION  
CONTRACTUAL LIABILITY POLICY**

- 1) Applicant: \_\_\_\_\_
- 2) Mailing Address: \_\_\_\_\_
- 3) Affiliates or  
Subsidiaries \_\_\_\_\_
- 4) Please describe the type of entity (e.g., bank holding company, national bank, state savings bank, savings and loan, credit union).
- 5) Has Applicant been placed under the supervision of state or federal regulatory authorities, or is Applicant currently or was Applicant previously subject to regulatory penalties? If yes, please provide details.
- 6) Describe the profile of borrowers who will be eligible for the debt protection features.
- 7) Describe the nature of the loans or loan programs that will include the debt protection features in the loan agreement. A copy of the loan agreement(s) must accompany this application.

The undersigned, on behalf of the Applicant, hereby declares that the above statements and particulars are true and that the Applicant has not suppressed or misstated any material facts. The Applicant agrees that this application shall be the basis of any issuance of a Virginia Surety Company, Inc. insurance policy.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Licensed Agent

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

**VIRGINIA SURETY COMPANY, INC.**  
**175 W. Jackson Blvd.**  
**Chicago, Illinois 60604**

**DECLARATIONS PAGE**

**DEBT PROTECTION CONTRACTUAL LIABILITY POLICY**

**For Approved Agreements**

---

Virginia Surety Company, Inc.	175 W. Jackson Blvd.	Chicago, Illinois 60604
-------------------------------	----------------------	-------------------------

---

**Policyholder:**

**Address:**

**Policy Number:**

**Policy Effective Date:**

**First Renewal Date:**

**Monthly Premium Due Date:**

**State of Delivery:**

**[Deductible:]**

**[Co-Insurance Rate:]**

**[Maximum:]**

**Effective Date of these Declarations:**

**[Reason for these Declarations:]**

**In consideration of Your application and agreement to pay the** premium when it is due, We have issued this insurance policy. Subject to its terms and conditions, We agree to reimburse You for covered losses as defined by the policy.

This policy is a legal contract between the policyholder and Virginia Surety Company, Inc., and is governed by the laws of the State of Delivery.

The Policy Effective Date and the First Renewal Date of this policy are shown above at 12:01 a.m. at the policyholders main office. The policy will renew automatically on the First Renewal Date and upon each anniversary of the First Renewal Date unless nonrenewed or terminated according to its terms.

The Policy Effective Date of these declarations is shown above at 12:01 a.m. at the policyholder's main office. These declarations supersede any previous declarations.

**VIRGINIA SURETY COMPANY, INC.**  
**175 W. Jackson Blvd.**  
**Chicago, Illinois 60604**

**APPROVED AGREEMENT SCHEDULE**

**DEBT PROTECTION CONTRACTUAL LIABILITY POLICY**

---

Virginia Surety Company, Inc.	175 W. Jackson Blvd.	Chicago, Illinois 60604
-------------------------------	----------------------	-------------------------

---

[This Schedule is effective \_\_\_\_\_ .]

[This Schedule is effective \_\_\_\_\_ and supercedes and replaces all prior schedules.]

[The Approved Agreement [Form Number] (as shown in the lower left-hand corner of the Policyholder's Addendum) is hereby deleted from this Schedule, effective \_\_\_\_\_.]

[The Approved Agreement [Form Number] (as shown in the lower left-hand corner of the Policyholder's Addendum) is hereby attached to and made a part of this Schedule, effective \_\_\_\_\_.]

[The attached Policyholder Addendum(s) are Approved Agreements under this policy:]

Virginia Surety Company, Inc.  
175 W. Jackson Blvd.  
Chicago, IL 60604

**ARKANSAS AMENDATORY ENDORSEMENT  
DEBT PROTECTION CONTRACTUAL LIABILITY POLICY**

This mandatory amendatory endorsement is added to the Debt Protection Contractual Liability Policy of Insurance form number CLP-AA (10.08). This endorsement changes the terms of Your insurance policy and is subject to all the terms and conditions of that policy.

1. The following **Complaints** section is added to the policy.

**Complaints**

If you have questions or complaints about this insurance, please contact us. If you have a complaint that has not been resolved by us, please contact:

Arkansas Insurance Department  
Consumer Services Division  
Third and Cross Streets  
Little Rock, AR 72201  
(501) 371-2640 or 1-800-852-5494

2. **Arbitration** in the **Claim Provisions** section is deleted in its entirety.
3. **Policy Renewal/Termination** in the **General Provisions** section is deleted in its entirety and replaced by the following:

**Policy Renewal/Termination**

Subject to the other terms of the policy, coverage will be effective for an Approved Agreement as of the Effective Date of Protection of the Approved Agreement, so long as the first premium is paid when due. Coverage effectuated for an Approved Agreement will terminate [ten (10) days] after any premium due therefore is past due.

You may terminate this policy at any time by notifying us in writing at least [ninety (90)] days prior to the termination date. Coverage will continue until the date and hour specified in the notice, provided all premium due is paid.

We may terminate this policy and cease to provide coverage for all Approved Agreements issued by you for any reason during the first 60 days this policy is in effect. After the first 60 days this policy is in effect and during the term of this policy or any renewal term thereafter, other than on anniversary dates, we may only terminate this policy or cease to provide coverage for all Approved Agreements for one of the following reasons:

1. Non-payment of premium;
2. Fraud or material misrepresentation made by You or with Your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
3. Material change in the risk which substantially increases any hazard insured against after the policy is issued;
4. Material violation by You of any material policy terms or conditions;
5. Nonpayment of membership dues in those cases where the bylaws, agreements, or other legal instruments of Ours require payment as a condition of the issuance and maintenance of the policy.



If we terminate this policy for any of the above reasons other than non-payment of premium, we will provide to You at least [forty-five (45) days] advance written notice by certified or registered mail to Your last known address of record. In such case, coverage will continue for Approved Agreements issued and in force prior to the termination date for the period for which premium has been paid for that Approved Agreement.

We may terminate this policy at any time for non-payment of premium if We provide [ten (10) days] written notice. In this case, all coverage will end if all premiums due are not received prior to the scheduled date and time of termination.

We may nonrenew this policy for any reason as of any anniversary of the First Renewal Date by providing You with at least [ninety (90) days] advance written notice by certified or registered mail to Your last known address of record.

**All other terms and conditions remain unchanged.**

---

[Officer Signature/Title]

Virginia Surety Company, Inc.  
175 W. Jackson Blvd.  
Chicago, IL 60604

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

**PLEASE READ CAREFULLY AND CONSULT YOUR AGENT, BROKER, OR OTHER INSURANCE PROFESSIONAL IF YOU HAVE ANY QUESTIONS.**

Coverage for acts of terrorism is included in your policy. This notice is being sent to you pursuant to the Terrorism Risk Insurance Act ("the Act") enacted by the United States Congress, as amended in 2007. The Act has been extended through December 31, 2014.

The United States Government may partially reimburse losses caused by "acts of terrorism" under a formula set forth in the Act, as amended. Under this formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

**WHAT IS AN "ACT OF TERRORISM"?**

An "act of terrorism" is defined in section 102(1) of the Act as "any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—

- (1) To be an act of terrorism;
- (2) To be a violent act or an act that is dangerous to (a) human life; (b) property; or (c) infrastructure;
- (3) To have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels, or the premises of a United States mission; and
- (4) To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion."

As used in this notice, the phrases "act of terrorism" and "acts of terrorism," when set out in quotation marks, are to be construed as defined above.

**HOW DOES THE ACT AFFECT YOUR INSURANCE COVERAGE?**

You have a policy of insurance issued by Virginia Surety Company, Inc.

- Virginia Surety Company, Inc., as an admitted insurance company in your state, does not attach a terrorism exclusion to your current policy.
- Virginia Surety Company, Inc. does not charge any premium for providing the coverage under your policy that may cover you for loss caused by "acts of terrorism."
- Between now and your receipt of any offer of renewal of your policy, Virginia Surety Company, Inc. may modify or alter any coverage for "acts of terrorism" under such policy. This means that you may not have the same terms offered to you upon renewal and that the premium charged may reflect an additional premium for coverage of loss caused by "acts of terrorism," but allowing you the option to forego such coverage and any additional premium charge in accordance with the provisions of the Act.

Please contact your insurance agent, broker, or other insurance professional if you have any questions, comments, or concerns about your coverage or this notice.

<i>SERFF Tracking Number:</i>	<i>CRDT-125890645</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Virginia Surety Company, Inc.</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>VSCI-CLIP-1008-AR FORM</i>		
<i>TOI:</i>	<i>17.0 Other Liability-Occ/Claims Made</i>	<i>Sub-TOI:</i>	<i>17.0004 Contractual Liability</i>
<i>Product Name:</i>	<i>Debt Protection Contractual Liability Insurance</i>		
<i>Project Name/Number:</i>	<i>DPP CLIP Rate &amp; Form Filing/1008-VSCI-DPP-CLIP</i>		

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: CRDT-125890645 State: Arkansas  
Filing Company: Virginia Surety Company, Inc. State Tracking Number: EFT \$50  
Company Tracking Number: VSCI-CLIP-1008-AR FORM  
TOI: 17.0 Other Liability-Occ/Claims Made Sub-TOI: 17.0004 Contractual Liability  
Product Name: Debt Protection Contractual Liability Insurance  
Project Name/Number: DPP CLIP Rate & Form Filing/1008-VSCI-DPP-CLIP

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty

**Review Status:** Approved 01/07/2009

**Comments:**

**Attachment:**

NAIC Uniform Transmittal Document signed.pdf

**Satisfied -Name:** Third-party Authorization

**Review Status:** Approved 01/07/2009

**Comments:**

Authorization from Virginia Surety Company, Inc. to make this filing on its behalf.

**Attachment:**

VSCI TPF authorization.pdf

## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>					<b>Group NAIC #</b>
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>	

<b>5. Company Tracking Number</b>	
-----------------------------------	--

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>				

Filing information (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>				
<b>10. Sub-Type of Insurance (Sub-TOI)</b>				
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>				
<b>12. Company Program Title (Marketing title)</b>				
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
<b>14. Effective Date(s) Requested</b>	New:		Renewal:	
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>16. Reference Organization (if applicable)</b>				
<b>17. Reference Organization # &amp; Title</b>				
<b>18. Company's Date of Filing</b>				
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

## Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.	

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>				
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)				
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

To: The Honorable Commissioner or Director of Insurance

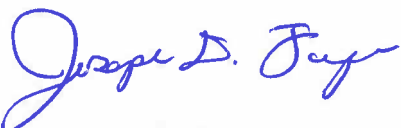
Date: October 3, 2008

Re: Authorization to Represent Virginia Surety Company, Inc.

This letter, or a copy thereof, will authorize the consulting firm of CREDITRE Corporation, Hurst, Texas to represent Virginia Surety Company Inc. before your Insurance Department solely with respect to matters concerning the filing for approval of Virginia Surety's Debt Protection Contractual Liability Policy Form #s CLP-APP (10.08), CLP-AA (10.08), CLP-DEC (10.08) and CLP-SOC (10.08) and, if required, associated premium rates. This Authorization is to remain in effect until revoked in writing by Virginia Surety Company, Inc.

Please direct any correspondence in relation to this filing to Deborah Wilson, Filer, CREDITRE, 330 Grapevine Hwy., Hurst TX 76054. Deborah can also be contacted by phone at 800-220-0359 ext. 229, or by e-mail to [Deborah.wilson@creditre.net](mailto:Deborah.wilson@creditre.net).

Virginia Surety Company, Inc.



By: Joseph D. Fagan  
Vice President & Senior Counsel